



STATE OF WASHINGTON
GAMBLING COMMISSION

October 28, 2005 *"Protect the Public by Ensuring that Gambling is Legal and Honest"*

The Honorable Curtis Ludwig, Chair
Washington State Gambling Commission
2812 West Klamath
Kennewick, WA 99336

Dear Chair Ludwig:

Enclosed is a copy of correspondence from Governor Gregoire regarding the proposed Class III gaming compact between the Spokane Tribe and the State of Washington. Pursuant to the Governor's request, the parties have agreed to withdraw the proposed compact and reopen negotiations.

As a result of this decision, the legislative committee hearings scheduled for November 2, 2005, will not be necessary. In addition, the Gambling Commission will not vote on the previously proposed compact during its November meeting. Once the Tribe and State reach a tentative agreement on a new proposed compact, the appropriate formal notices will again be provided as required by law.

If you have any questions, please call me at (360) 486-3446 or Melinda Froud, Staff Attorney, at (360) 486-3468.

Sincerely,

Rick Day
Director

Enclosure

cc: The Honorable Brad Owen, Lieutenant Governor
The Honorable Frank Chopp, Speaker of the House
The Honorable Jeanne Kohl-Welles, Chair, Senate Labor, Commerce, Research & Development
The Honorable Steve Conway, Chair, House Commerce and Labor
The Honorable Greg Abrahamson, Chair, Spokane Indian Tribe
Commissioners, Washington State Gambling Commission
Richard Mitchell, General Counsel, Governor's Office
Marty Brown, Legislative Director, Governor's Office
James A. McDevitt, U.S. Attorney, Eastern District of Washington
Scott Crowell, Legal Counsel to Spokane Indian Tribe
Randy Sitton, NW Regional Director of the National Indian Gaming Commission
P.O. Box 42400 Olympia, Washington 98504-2400 (360) 486-3440 1-800-345-2529 FAX (360) 486-3623



CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
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October 27, 2005

Mr. Curt Ludwig, Chair
Washington State Gambling Commission
Post Office Box 42400
Olympia, WA 98504-2400

Dear Chairman Ludwig:

I respectfully request that the Washington State Gambling Commission (Commission) and staff reopen discussions with the Spokane Tribe about a possible gaming compact, and withdraw the current proposal prior to consideration by the legislative committees on November 2, 2005.

This is an unusual request and I do want to make clear my commitment to the process set forth in law for these types of government-to-government agreements. Draft compacts that the Commission puts forth are just the first step in an open process prior to any agreement being signed by either the state or a tribe. The Legislature schedules hearings on these proposals and the Commission holds hearings prior to submission to the Governor. This process is valuable and worthwhile. In this case, I am asking the Commission to renegotiate before the formal hearing process has begun because of the significant issues involved in this tentative agreement.

I appreciate the hard work done by both the Commission staff and tribal representatives on this difficult issue. I am especially pleased that the proposal includes provisions for revenue sharing and contributions for problem gambling services. However, I am concerned about some aspects of the proposed compact and believe it should be revisited.

Specifically, I ask negotiators to look at the provision that potentially changes the process by which gaming facilities are located on trust lands as set forth in federal law. In addition, the number of authorized gaming machines and the leasing of machines for the benefit of non-gaming tribes should be reconsidered.

I met with Chairman Abrahamson of the Spokane Tribe about my concerns. I am grateful for his willingness to work through this important matter on a government-to-government basis.

Thank you for your attention to this request.

Sincerely,

A handwritten signature in cursive script that reads "Chris".

Christine O. Gregoire
Governor



Curt Ludwig
October 27, 2005
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cc: Chairman Greg Abrahamson, Spokane Tribe
Senator Lisa Brown
Speaker Frank Chopp
Senator Bill Finkbeiner
Representative Richard DeBolt
Senator Jeanne Kohl-Wells, Chair, Senate Committee on Labor, Commerce, Research and
Development
Representative Steve Conway, Chair, House Commerce and Labor Committee
Senator Linda Evans Parlette, Ranking Member, Senate Committee on Labor, Commerce,
Research and Development
Representative Cary Condotta, Ranking Member, House Commerce and Labor
Committee
Senator Margarita Prentice
Senator Jerome Delvin
Representative Alex Woods
Representative John Serben
Rick Day, Executive Director, Washington State Gambling Commission